

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 100329

12

ORIGIN EB-11

INFO OCT-01 EUR-25 IO-12 ADP-00 STR-08 TRSE-00 COME-00

CIAE-00 INR-10 NSAE-00 RSC-01 L-03 /071 R

DRAFTED BY EB/ OT/ STA: RWINSTANLEY: DJT

EXT. 23019 5/24/73

APPROVED BY EB/ OT/ STA: EWKEMPE

STR: MPOMERANZ

CUSTOMS: MR. CARAMAGNO

COMMERCE: DFELLMAN

EUR/ CAN: DTHOMSON

----- 030786

R 242127 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

INFO USMISSION GENEVA

LIMITED OFFICIAL USE STATE 100329

E. O. 11652: N/ A

TAGS: ETRD, US, CA

SUBJECT: US/ CANADIAN CONSULTATIONS ON FORM- BOND PAPER

1. PURSUANT TO CANADIAN REQUEST US AND GOC REPS MET MAY 17 TO DISCUSS TREASURY DECISION 72-207 RECLASSIFYING FORM-BOND PAPER FROM TSUS 252.67 (BOOK PAPER) TO TSUS 252.75 (WRITING PAPER) WITH HIGHER RATE OF DUTY. US SIDE WAS CHAIRED BY STR, WITH REPRESENTATIVES OF STATE, BUREAU OF CUSTOMS AND COMMERCE. CANADIAN DELEGATION LED BY ROBERT E. LATIMER, ASSISTANT DEPUTY MINISTER FOR INTERNATIONAL TRADE RELATIONS AT DEPARTMENT OF INDUSTRY; TRADE AND COMMERCE. OTHER MEMBERS OF CANADIAN DELEGATION INCLUDED REPRESENTATIVES OF INDUSTRY TRADE AND COMMERCE, DEPARTMENT OF FINANCE AND CANADIAN EMBASSY, WASHINGTON.

2. CANADIANS PRESENTED THREE- PART ARGUMENT AGAINST RECLASSIFICATION OF FORM- BOND PAPER, CLAIMING: (A) DECISION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 100329

TO RECLASSIFY FORM- BOND PAPER WAS WRONG ON BASIS US
LEGAL PRECEDENTS AND CUSTOMS PRACTICES; (B) COMMITMENTS
MADE TO CANADA DURING KENNEDY ROUND NEGOTIATIONS HAD BEEN
IMPAIRED BY THE RECLASSIFICATION, AND (C) CANADIAN PAPER
INDUSTRY HAD MADE SIZABLE INVESTMENT IN MANUFACTURE OF
FORM- BOND PAPER ON EXPECTATION THAT IT WOULD BE ADMISSABLE
INTO US UNDER TSUS ITEM 252.67. MAJOR IMPACT, ACCORDING
CANADIANS, FELL ON E. B. EDDY COMPANY, WHICH INVESTED MORE

THAN 20 MILLION DOLLARS IN EQUIPMENT AND EFFORT TO PENETRATE
US MARKET.

3. LATIMER STATED THAT, IF US COUNLD NOT SEE WAY CLEAR
TO REVERSE DECISION RECLASSIFYING FORM- BOND PAPER, OR
PROVIDE OTHER SUITABLE COMPENSATION, GOC WOULD TAKE ITS
CASE TO THE GATT. HE INDICATED GOC HAS ALREADY CONSULTED
WITH GATT SECRETARIAT AND THE SECRETARIAT WAS OF OPINION
CANADIANS HAD A STRONG CASE.

4. US SIDE NOTED THAT MATTER HAD BEEN REVIEW IN USG
ON CONTINUING BASIS SINCE CANADIANS FIRST INDICATED THEIR
DEEP CONCERN. US DELEGATION ALSO TOLD CANADIANS THAT USG
WOULD ONCE AGAIN REVIEW THE DECISION IN THE LIGHT OF THE
POSITION AND FACTS PRESENTED IN THE MEETINY AND GIVE THEM
AN ANSWER ASAP. SPEAKING PERSONALLY, CHAIRMAN OF US
DELEGATION TOLD CANADIANS THAT EVEN IF VALIDITY OF CANADIAN
CASE WERE ASSURED, HE COULD NOT BE HOPEFUL ABOUT REVERSING
DECISION OF RECLASSIFICATION. BUREAU OF CUSTOMS
REPRESENTATIVE SUGGESTED THAT CANADIAN INDUSTRY, USING
CHANNEL GOC EMBASSY IN WASHINGTON, PRESENT TO BUREAU OF
CUSTOMS VARIOUS TYPES OF FORM- BOND PAPER EXPORTED TO US
WITH REQUEST FOR " BINDING RULINGS", I. E. OFFICIAL RULING
ON CUSTOMS CALSSIFICATION. THIS WOULD ENABLE CANADIANS
TO DETERMINE PRECISE EXTENT TO WHICH DECISION AFFECTS THEIR
EXPORTS TO US. CUSTOMS REP. NOTED THAT RANGE OF PAPER
AFFECTED MAY BE NARROWER THAN CANADIAN PAPER INDUSTRY
THINKS. US SIDE ALSO NOTED FAILURE TO EXERCISE RIGHT
TO PROTEST CLASSIFICATION AND PURSUE MATTER IN US COURTS.
CUSTOMS REP. ASSUD CANADIANS THAT AGENCY WOULD FULLY
COOPERATE IN SPEEDY RESOLUTION OF JUDICIAL PROCEEDINGS
RESULTING FROM ANY PROTEST.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 100329

5. COMMENT: ALTHOUGH CANADIANS CANNOT HAVE BEEN TOO HAPPY
WITH GENERAL TENOR OF MEETING, CUSTOMS OFFER OF EXPEDITIONS
ISSUANCE OF BINDING RULINGS ON VARIOUS TYPES OF FORM- BOND
PAPER AND ASSURANCES RE SPEEDY PROCESSING OF PROTEST GAVE
THEM SOMETHING POSITIVE TO TAKE AWAY. RUSH

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE100329
Document Source: CORE
Document Unique ID: 00
Drafter: RWINSTANLEY: DJT
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730555/aaaajupb.tel
Line Count: 116
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11-Sep-2001 by cunninfx>; APPROVED <09-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980306
Subject: US/ CANADIAN CONSULTATIONS ON FORM- BOND PAPER
TAGS: ETRD, CA, US
To: GENEVA
OTTAWA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005